

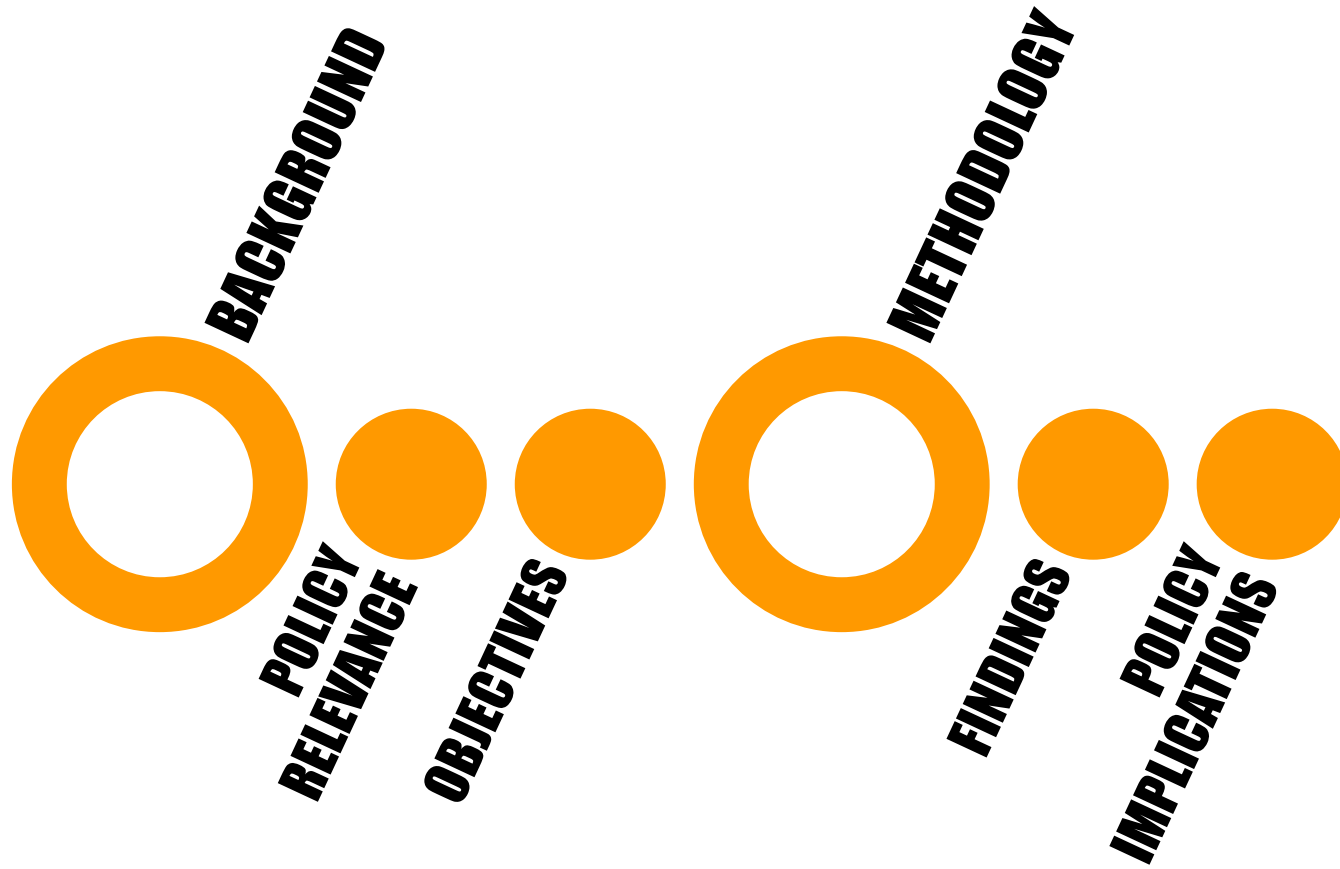


# **FACTORS MATTER FOR LIVELIHOOD OF OLDER WORKERS**

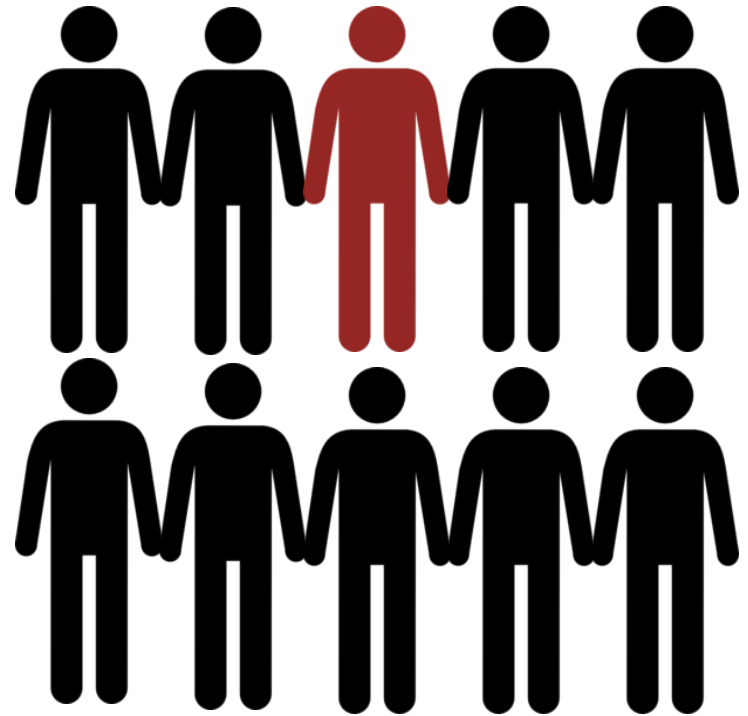
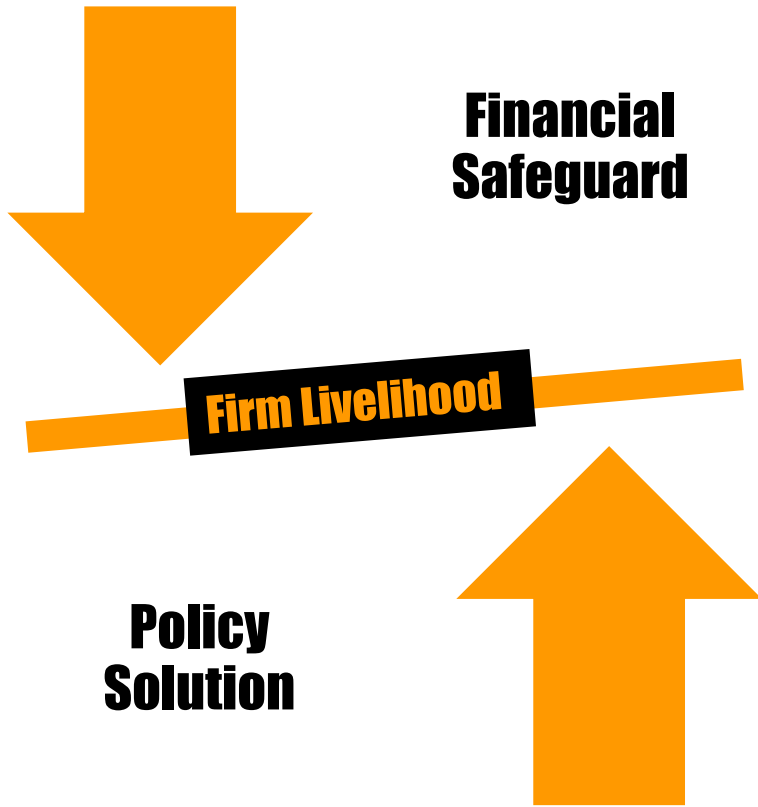
**Samanthi Bandara**

**Institute of Policy Studies of Sri  
Lanka (IPS)**

# WHAT I WILL BE TALKING ABOUT

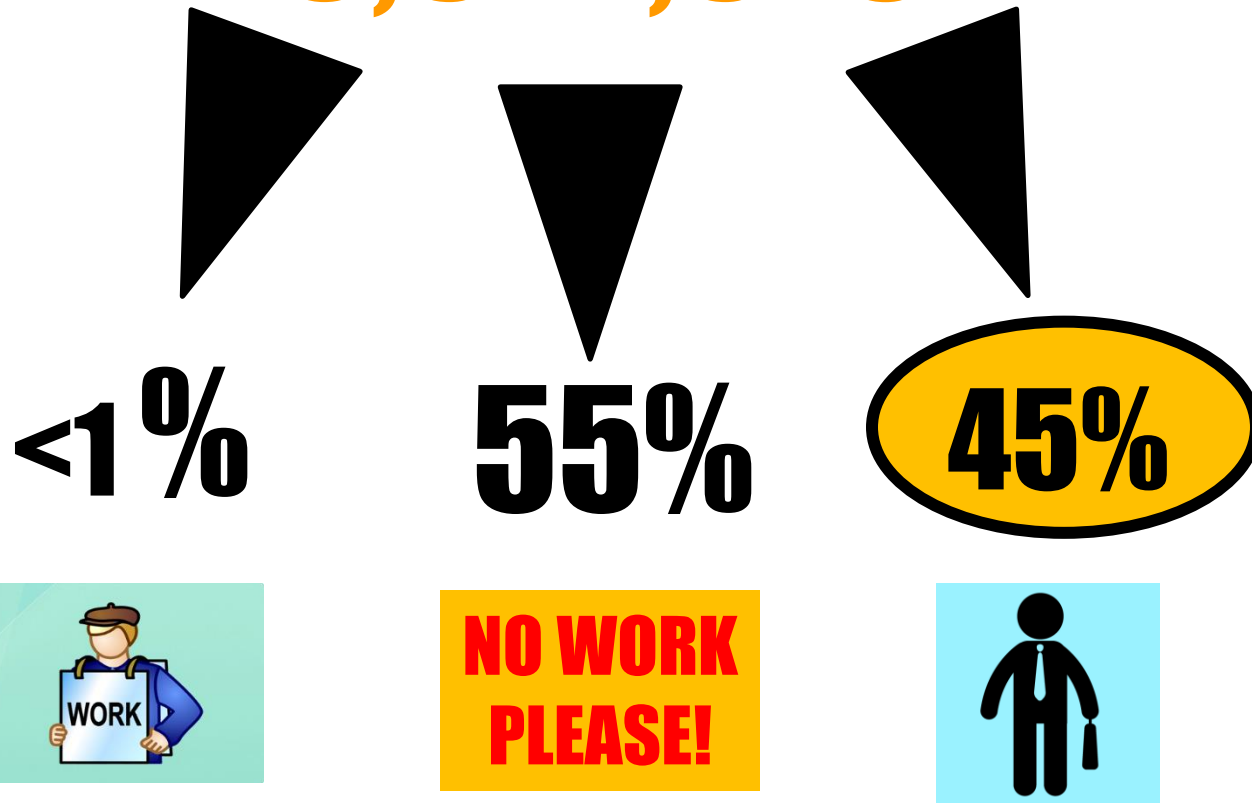


# BACKGROUND



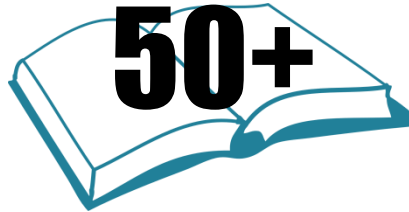
**SOCIAL PROTECTION ?**

**5,641,619**



# POLICY RELEVANCE

1



2

**NEED YOU!**



**Policies to retain older workers**

↓ **demand for social assistance**  
**Reduce social cost**




↓ **burden of older dependents**



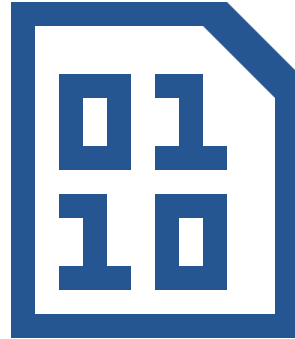
**Personal satisfaction**  
**Financial protection**

# **OBJECTIVE**

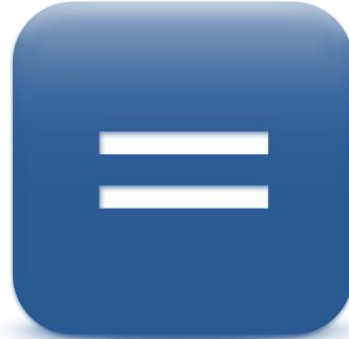


**FACTORS**  
explain the  
**LIVELIHOOD**  
of the **OLDER**  
**WORKERS**

# METHODOLOGY



**LFS 2013**



**Varme's choice model**

**2 multinomial logit  
models**

**Determinants employment status  
Determinants sector participation**

# LIMITATIONS

- Unavailability of Economic characteristics  
E.g. social and health security plans
- No information on health conditions
- No information to capture 'previous experience' of workers



# Theoretical model - Varma's choice model

$$\text{Max } E(U) = U(W; K)$$

$$Y_{ij} = \alpha_j W_{ij} + \beta_j K_{ij} + \varepsilon_{ij}$$

$$Y_{ij} = \gamma_j W_{ij} + \phi_{1j} Z_{ij} + \psi_{1j} X_{ij} + \delta_j H_{ij} + v_{1i}$$

$$W_{ij} = \phi_{2j} Z_{ij} + \psi_{2j} X_{ij} + v_{2i}$$

$$Y_{ij} = \gamma_j W_{ij} + \phi_j Z_{ij} + \psi_j X_{ij} + \delta_j H_{ij} + v_{2i}$$

# Empirical Model

$$Y_{ij} = \cancel{\gamma_j W_{ij}} + \phi_j Z_{ij} + \psi_j X_{ij} + \delta_j H_{ij} + v_{2i}$$

# Dependent Variables

## Model 1

- Employed
- Unemployed
- Not in Labour Force

## Model 2

- Public Sector
- Private Sector
- Self-employed

# Independent Variables

## Individual Characteristics (Z)



- Gender & Age
- Marital Status
- Education Status
- Ethnicity and Religion

## Household Characteristics (H)



- No of young and Old Dependents
- Household Size

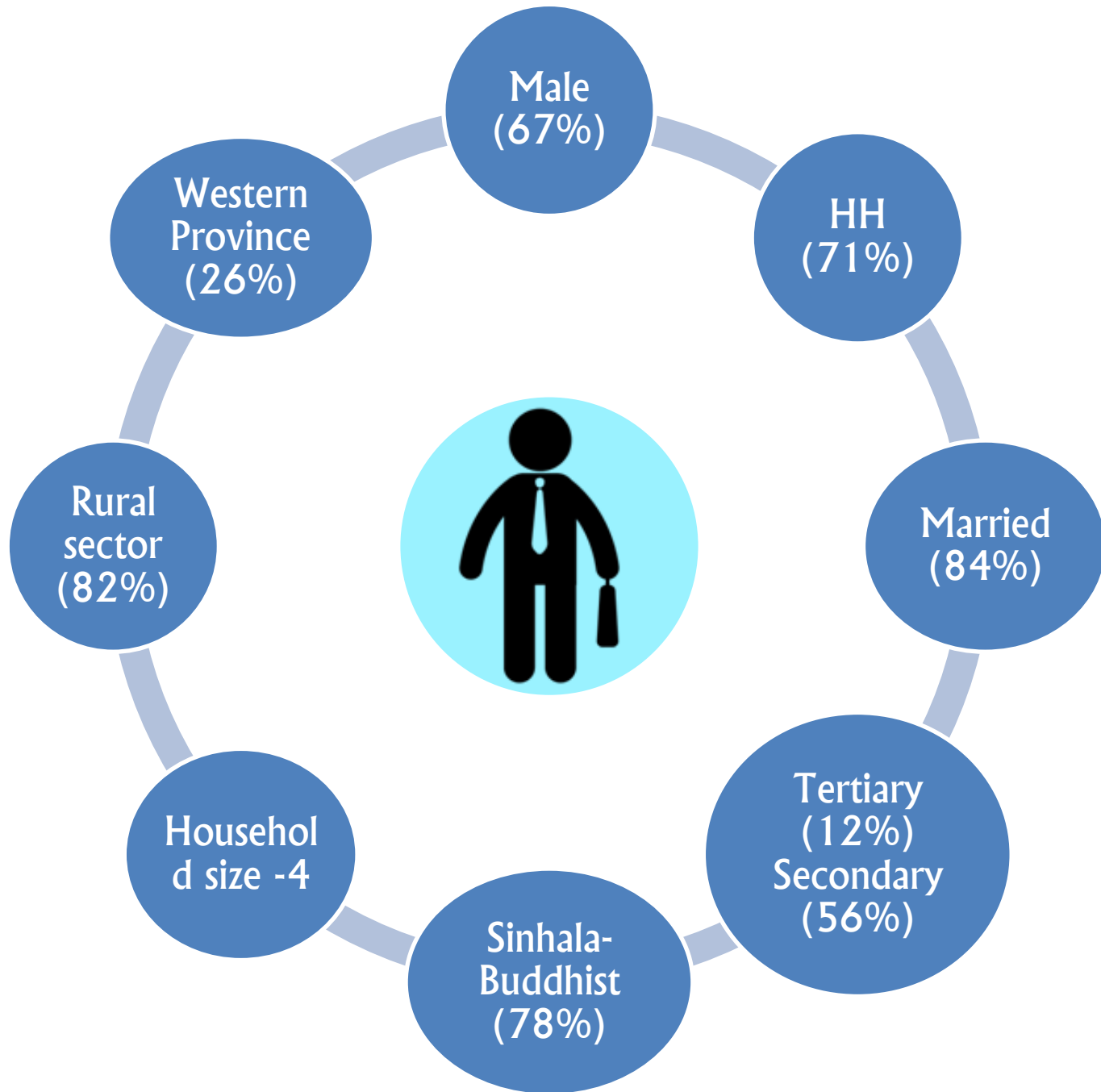
## Geographical Characteristics (X)

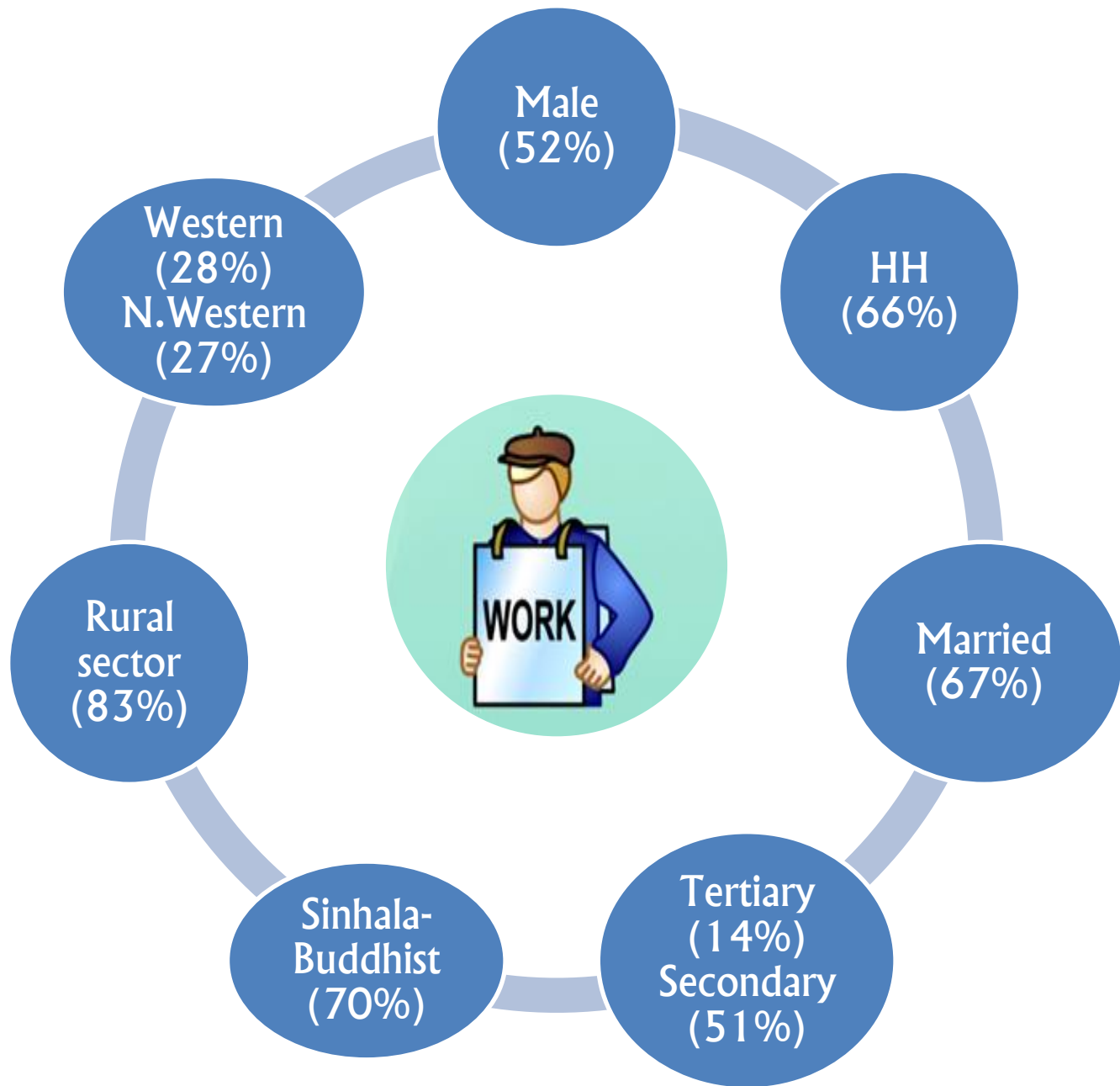


- Districts
- Sector

# FINDINGS

- Sector characteristics
- Multinomial Logit Model

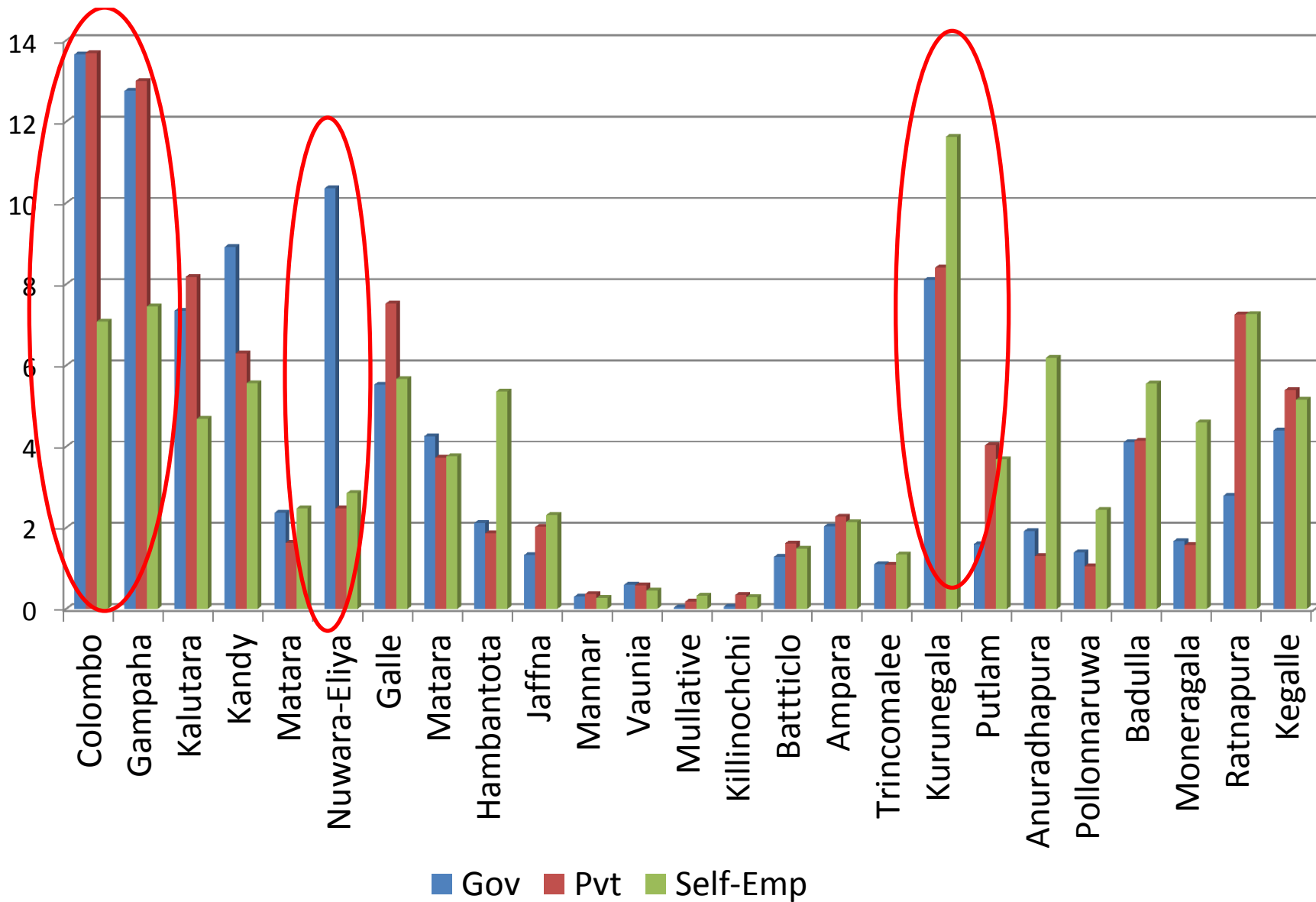








<b>Variable</b>	<b>Government</b>	<b>Private</b>	<b>Self- Employment</b>
<b>Male</b>	<b>61</b>	<b>70</b>	<b>65</b>
<b>HH</b>	<b>64</b>	<b>72</b>	<b>70</b>
<b>Married</b>	<b>90</b>	<b>80</b>	<b>84</b>
<b>Secondary Edu</b>	<b>44</b>	<b>53</b>	<b>60</b>
<b>Tertiary Edu</b>	<b>44</b>	<b>7</b>	<b>7</b>



**Base variable “not in LF”**

<b>Variable</b>	<b>Employed</b>	<b>Unemployment</b>
Male	1.70***	1.52***
Age	-0.13***	-0.18***
Parent	-1.33***	-2.19**
Never Married	-0.16*	1.00
Previously Married	-0.30***	0.80
Studied G6-10	-0.19***	-0.34
Passed O/L	-0.24***	0.12
Degree	0.45***	0.03
Post Graduate	0.47**	-13.45
Young Dependents	0.12***	0.44**
Household Size	-0.07***	-0.01
Rural	0.44***	0.09

**Base variable “Self-Employed”**

<b>Variable</b>	<b>Government</b>	<b>Private</b>
Male	-0.24	-0.06***
Age	-0.15***	-0.28***
Parent	-0.08	0.41***
Never Married	-0.04	0.24**
Previously Married	-0.34*	0.87***
Studied G5 & below	-2.86***	0.36***
Studies G 6-10	-2.25***	-0.02
Passed O/L	-0.83***	0.74***
Degree	1.26***	-0.28
Post Graduate	0.99***	0.31***
Young Dependents	0.16***	-0.04
Rural	-0.33***	1.02***
Estate	1.72***	2.91***

## Point 1

Probability of being employed high



Almost all the districts (Excluding Northern province)

## Point 2

- Probability of being in Gov. limited to commercialized districts (rich in resources)
- Probability of being in Prvt. relatively low in other districts

# POLICY IMPLICATIONS

1. Less educated people move to private sector.

Financial Security ??

2. Having young dependents increases being unemployed.

Need child care services??

3. Unequal distribution of employment opportunities across regions.

Distribution of economic development at an equitable manner across the region??



**THANK YOU!**